



Ohio Revised Code Section 1701.91 Judicial dissolution.

Effective: May 4, 2012

Legislation: House Bill 48 - 129th General Assembly

(A) A corporation may be dissolved judicially and its affairs wound up:

(1) By an order of the supreme court or of a court of appeals in an action in quo warranto brought as provided by sections 2733.02 to 2733.39 of the Revised Code, in which event the court may order the affairs of the corporation to be wound up by its directors as in the case of voluntary dissolution, or by proceedings in, and under the order of, the court of common pleas of the county in this state in which the corporation has its principal office;

(2) By an order of the court of common pleas of the county in this state in which such corporation has its principal office, in an action brought by holders of shares entitled to dissolve the corporation voluntarily, when it is established that any of the following are true:

(a) That its articles have been canceled or its period of existence has expired;

(b) That the corporation is insolvent or is unable to afford reasonable security to those who may deal with it and that it is necessary in order to protect the creditors of the corporation that the corporation be judicially dissolved;

(c) That the objects of the corporation have wholly failed or are entirely abandoned or that their accomplishment is impracticable;

(3) By an order of the court of common pleas of the county in this state in which the corporation has its principal office, in an action brought by the holders of shares entitling them to exercise at least two-thirds of the voting power of the corporation on such proposal when it is established that it is beneficial to the shareholders that the corporation be judicially dissolved, or the holders of such lesser proportion as are entitled by the articles to dissolve the corporation voluntarily;

(4) By an order of the court of common pleas of the county in this state in which the corporation has



its principal office, in an action brought by one-half of the directors when there is an even number of directors or by the holders of shares entitling them to exercise at least two-thirds of the voting power, when it is established that the corporation has an even number of directors who are deadlocked in the management of the corporate affairs and the shareholders are unable to break the deadlock, or when it is established that the corporation has an uneven number of directors and that the shareholders are deadlocked in voting power and unable to agree upon or vote for the election of directors as successors to directors whose terms normally would expire upon the election of their successors. Under these circumstances, dissolution of the corporation shall not be denied on the ground that the corporation is solvent or on the ground that the business of the corporation has been or could be conducted at a profit.

(5) By an order of the court of common pleas of the county in which the corporation, whether for profit or nonprofit, has its principal office, in an action brought by the prosecuting attorney of the county, when it is found that the corporation was organized or systematically used to further criminal purposes, or as a subterfuge to engage in prostitution, gambling, loan sharking, drug abuse, illegal drug distribution, counterfeiting, obscenity, extortion, corruption of law enforcement officers or other public officers, officials, or any employees, or any other criminal activity.

(B) A complaint for judicial dissolution shall be verified by any of the complainants and shall set forth facts showing that the case is one of those specified in this section. Unless the complainants set forth in the complaint that they are unable to annex a list of shareholders, a schedule shall be annexed to the complaint setting forth the name of each shareholder, his address if it is known or the fact that it is not known, the number of shares owned by him, and any balance unpaid on his shares .

(C) Upon the filing of a complaint for judicial dissolution, the court with which it is filed shall have power to issue injunctions, to appoint a receiver with such authority and duties as the court from time to time may direct, to take such other proceedings as may be necessary to protect the property or the rights of the complainants or of the persons interested, and to carry on the business of the corporation until a full hearing can be had. Upon or after the filing of a complaint for judicial dissolution, the court, by injunction or order, may stay the prosecution of any proceeding against the corporation or involving any of its property and require the parties to the proceeding to present and prove their claims, demands, rights, interests, or liens, at the time and in the manner required of



creditors or others. The court may refer the complaint to a special master commissioner.

(D) After a hearing had upon such notice as the court may direct to be given to all parties to the proceeding and to any other parties in interest designated by the court, a final order based either upon the evidence, or upon the report of the special master commissioner if one has been appointed, shall be made dissolving the corporation or dismissing the complaint. An order or judgment for the judicial dissolution of a corporation shall contain a concise statement of the proceedings leading up to the order or judgment; the name of the corporation; the place in this state where its principal office is located; the names and addresses of its directors and officers; the name and address of a statutory agent; and, if desired, such other provisions with respect to the judicial dissolution and winding up as are considered necessary or desirable. A certified copy of such order forthwith shall be filed in the office of the secretary of state, whereupon the corporation shall be dissolved. To the extent consistent with orders entered in such proceeding, the effect of such judicial dissolution shall be the same as in the case of voluntary dissolution, and the provisions of sections 1701.87, 1701.88, 1701.89, and 1701.90 of the Revised Code relating to the required notice a corporation shall give of a dissolution and the authority and duties of directors during the winding up of the affairs of a corporation dissolved voluntarily, with respect to the jurisdiction of courts over the winding up of the affairs of a corporation, and with respect to receivers for winding up the affairs of a corporation shall be applicable to corporations judicially dissolved.

(E) A judicial proceeding under this section concerning the judicial dissolution of a corporation is a special proceeding, and final orders in it may be vacated, modified, or reversed on appeal pursuant to the Rules of Appellate Procedure or the Rules of Practice of the Supreme Court, whichever are applicable, and, to the extent not in conflict with those rules, Chapter 2505. of the Revised Code.